



BOARD OF INVESTMENT TRUSTEES

MEMORANDUM

May 25, 2012

TO: Montgomery County Deferred Compensation Plan Participants

FROM: Linda A. Herman, Executive Director

SUBJECT: Deferred Compensation Plan – Change in Fund Offerings

The Board of Investment Trustees, which oversees the investments offered through the County's Deferred Compensation Plan (Plan), continually seeks to improve the fund offerings (investment options) and services available to participants. As of March 31, 2012, participants included 2,340 active employees and 1,081 retirees with combined Plan assets of \$277,000,000.

We want to make you aware of upcoming changes in the fund offerings within the Plan. The SEI Trust Company has decided to close the SEI Stable Asset Fund ("Fund") which is one of the offerings in the Plan. The Fund's closure was announced on May 1, 2012 and the Fund will be fully closed as of November 30, 2012. Due to the many challenges facing stable value funds, SEI, as trustee of the Fund, elected to close the Fund at a time when the Fund's market value was above book value. As a result of this decision, SEI determined that it was in the best interests of participants in the Fund to convert the Fund's assets to money market instruments. By transitioning the Fund and converting its investment portfolio to money market instruments, SEI is seeking to preserve principal.

Due to the changes announced by SEI, the Board has decided to remove the SEI Stable Asset Fund from the current fund offerings effective June 29, 2012. Its preservation of capital role will be assumed by the SSgA U.S. Government Money Market Fund, which will be added as an option effective June 29, 2012. All assets invested in the SEI Stable Asset Fund as of June 29, 2012 will be invested in the SSgA U.S. Government Money Market Fund.

<i>If you were invested in...</i>	<i>Ticker Symbol</i>	<i>On June 29, 2012 you will be invested in...</i>	<i>Ticker Symbol</i>
SEI Stable Asset Fund	N/A	SSgA U.S. Government Money Market Fund	SSGXX

You do not need to take any action for your balance in the SEI Stable Asset Fund to be transferred to the SSgA U.S. Government Money Market Fund. However, if you have a balance in the SEI Stable Asset Fund and you do not want your balance transferred to the SSgA U.S. Government Money Market Fund, you must transfer the balance to another fund at any time before **4:00 p.m. on June 28, 2012**. You can transfer your balance by logging in to the ING website at <https://montgomerycountymd.ingplans.com> and selecting Manage Investments or by calling the Plan Information Line at 888-240-8080. As of **June 29, 2012**, any balances in the SEI Stable Asset Fund will automatically be mapped to the SSgA U.S. Government Money Market Fund.

Montgomery County Employee Retirement Plans

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As of **June 29, 2012**, if you have made an election to have your payroll contribution invested in the SEI Stable Asset Fund, your contribution will be automatically invested in the SSgA U.S. Government Money Market Fund. You may change your election at any time by logging in to the ING website at <https://montgomerycountymd.ingplans.com> and selecting Contributions or by calling the Plan Information Line at 888-240-8080.

More information:

Detailed information on the SSgA U.S. Government Money Market Fund, and other fund offerings within the Plan, along with past performance and fees, is available by logging on to the ING website at <https://montgomerycountymd.ingplans.com> or by calling the onsite ING representative, Steve Wright, at 240-777-5054. Prior to making any investment, you should carefully read the prospectus and/or fund fact sheet.

Service Enhancements:

ING recently “redesigned” their website to provide participants better search and navigation capabilities. You can log on to the ING website at <https://montgomerycountymd.ingplans.com> and learn more about the Plan. Once you log in, go to the Financial Resource Center, which offers a variety of useful tools and financial calculators to help you learn more about investing, retirement and financial planning. Information is also available for college planning, estate planning and assistance with understanding investment concepts. Under the Tools bar, the Plan Savings and Retirement Income Calculators can assist you with retirement planning by helping you determine how much to save for retirement and how long your savings is expected to last once you retire.

Reminders:

Full-time Representative Dedicated to the County. The onsite ING representative, Steve Wright, is located in the Executive Office Building on the 7th floor in the Office of Human Resources. He is available to meet with you daily from 8:00 a.m. to 5:00 p.m. or can meet you at a location that is convenient for you. If you would like additional information on the Plan, including details on contribution limits or investment options, you can contact Steve at (240) 777-5054.

On-Site Education. Group seminars are offered quarterly on a variety of topics such as: investment basics, asset allocation, establishing a retirement goal and pre-retirement planning. Please visit the Board’s website at www.montgomerycountymd.gov/bit and click on Investment Education, Deferred Compensation Plan, Investment Seminars, to view the schedule of upcoming seminars.

Questions:

Contact the Board of Investment Trustees by email at bit@montgomerycountymd.gov or by calling 240-777-8220.